



The Elephant and the Flea: Reflections of a Reluctant Capitalist

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Discusses everything from the author's childhood in a Irish vicarage, to Oxford University, to his first job as an oil executive with Royal Dutch/Shell in the Far East, to a professorship at the London Business School, and finally to his status as an eminent social philosopher and international business guru.

The Elephant and the Flea: Reflections of a Reluctant Capitalist Details

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Sergei says

Yet another one of my favourites. Powerful ideas put into simple buzz-free eloquent prose.

Santosh Kashyap says

In a nutshell the book has talked about the large organizations (Elephant) employing thousands of employees and an individual employee (Flea) in a large socio-economic contest. More importantly it talks about the changing environment (economical) on employee-organization relationship since earliest days to the coming future...or how actually the future workforce will be. The language is simple and lucid for any reader.

Susan de la Vergne says

Charles Handy, the economist and author, has written a number of remarkable business books, remarkable in that they aren't full of energetic how-to counsel intended to send entrepreneurs and business leaders off in a new, certain-to-be-successful direction. Instead, Handy's books offer perspective and insight combined with practical experience. The Elephant and the Flea, is an account of his life as an independent professional (a flea) after life in a corporation (the elephant). Having join the ranks of fleas myself almost five years ago, I saw myself in his words--the transition from belonging to a corporation to belonging to oneself; the perspective you get on work when you do it because it's what you do, not what some distant power being decides what must be done; the loneliness (as a flea) after all the community while living with the elephant. But besides all that I personally understood, there is also his rather self-effacing but stunning observations on the role of "fleas" in the present workworld, and the future. I loved reading this, and when I finished the last page, I felt I was saying a reluctant good-bye to someone I'd just enjoyed getting to know.

Gary says

Highly recommended by a Korean headhunter who I much admire...

Great story of a man who leaves corporate life to start his own small business. Good for people making career decisions.

Patrick says

I liked this book a lot for someone who chose a life of a divergent individualism instead of a competitive individualism to make a life that he wants to live instead of running in the rat race. For this, I give this book a 4.5.

The book is about living his life and what he learned as he reflects back into a life he just lived. Handy foresaw the future in which the majority of people were going to be independent contractors instead of being an employee of an organization all their lives. All truths pass 3 stages: 1) it is ridiculed 2) it is opposed 3) it is accepted as being self-evident. The analogy he uses is that elephants are big slow bureaucratic organizations and fleas are small entrepreneurial individuals. He always thought an organization needed several small independent thinkers for it to survive but he began to think that the economy will be set up this way. The new economy preferred freedom over security. He asks whether unchecked progress is better than having time and stagnation. He points to the fact that technology rather than freeing us to have more leisure time because of more productivity causes us to be more busy than ever. It is clear that globalized companies have to partner with local people in order to be effective. The era of centralized authority is out but the question becomes how does one manage something that one does not fully control? How does one control the quality if people do not have the same goals or interest as the organization. He thinks pursuing one's passion and organizing one's time and to prioritize what truly matters is the key to this new world of independent contractors.

Handy was a man who believed that everyone needed help and thus found it hard as a manager to challenge people who were underperforming who needed the challenge. He found that honesty, inability to discipline his co-workers were liabilities in the field of business where deception was sometimes needed to get the job done. He was defined by his father's funeral. As he searched for success in the traditional models of success, he found that his father's life as the town vicar had meaning for him as there were many people who came to his funeral and cried because of the life he touched in them. He decided to be an independent contractor when he realized that he was not good at following orders and he was not a strong and forceful manager. Although he was never an organization man, he does miss the camaraderie and the sense of mission he got from being affiliated with an organization that is larger than one's self. He thinks that the book is timely because he is seeing a world where independent contractors are becoming the norm instead of the exception.

He believes that we learn best when we learn what we want to learn. He confesses to be a shy kid who was a people pleaser. He states that he is a jack of all trades person who loves to learn for its own sake and does not like the English system which forces a person to hyper specialize at a young age. He thrived in Uni where the focus was on critical thinking skills instead of simple regurgitation. He decided that learning through experience was the best way to learn. He believed that business school should be part time and should be accompanied with guided experience. He thrived when he was able to create his own curriculum. He believes that school should be a place where safe experimentation should thrive in order for us to discover our hidden talents. He wants to encourage people to experiment even if it fails.

Handy blames the fall of the organization with the advent of globalization, increase ease in communication, and increase in competition. He began his career living the good life but realized it is due to collusion in which profit was increased the more they spent (Halliburton during Iraq war, the more they spent the more they got). He learned that just because a state gives an organization to a private company does not mean that that company will be cheaper since a one organization company is still a monopoly. Thus, he became a big believer of competition not only in reducing price but also to make better/superior products. He states that the organizations of yesteryears are no longer relevant with its focus on stability and project into the future by the things in the past. They tend to promote from within and discard outside help (Dr. Lee). But those organizations could plan for the future which today's organizations can no longer do.

The organizations of today are very personalized and individualized are outsourced to maximize everyone's special skill set. The old paternalized way of doing things was more organized and friendlier as opposed to today's way which is rife with competition. Organizations of the future will get bigger and bigger and have

challenges of their own like: 1) how to grow bigger yet stay small and personal 2) how to combine efficiency with creativity 3) how to be prosperous yet socially responsible and 4) how to reward the owner of the idea and the owner of the business. He favors federalism as a main mode of business because properly shares centralized powers with decentralized responsibilities. The proper function of subsidiary is an organization where the power is appropriately decentralized to where the action is located. In a turbulent time, entrepreneurs are needed to shake the system and keep an organization fresh. He believes all entrepreneurs are creative types who: passionate, had the conviction that what they did was what needed to be done despite the evidence to the contrary, and the 3rd eye in seeing things that have not been before. They also grew up in an environment in which experimentation was encouraged including a city which encouraged such entrepreneurial yearnings. The entrepreneurial people do not want to retire because they are driven by their ideas. His fear is that multinational firms will be unaccountable to anyone but he also states that they have to have a veneer of social responsibility since they have a brand to protect. Whereas employees are salaried for time spent, independents charge fees for results. His ideal organization would "have small units, a flexible hierarchy and leadership, working mostly in team projects but recognizing the individual; diverse, but with high trust and high involvement; self-critical but with rewards that recognize personal achievement."

The new age brings to it the advent of personalization which brings into play the experience economy. People will no longer pay for stuff but rather the experience which is stimulated by the stuff. But the positives of the Internet economy come with the bad of not having a true vacation and numerous spam mail that destroys productivity. The anonymity of people also creates a system where one does not know whether the information in which one finds on the Internet is the right information or not. He claims the Internet has allowed multiple different fleas to undermine government a la Al-Qaeda. Ecommerce has destroyed whole middle men so, elephants have to constantly break good habits that made them successful in the past to ascertain whether those habits are still relevant in the present environment of intense competition. He describes the process as disintermediation which has global reach but acts locally. But he states that people will still need people who can interpret the data so interpreters will always have a job. Handy states that government will need to be more responsive to local demands as the divisive American national divide shows us. The new economy will place 1) self-interest at its heart 2) to one's team 3) to an organization. In order to keep talented individuals, organizations take into account their professional and personal development. He foresees a time when intense and demanding projects will alternate with equivalent amount in sabbaticals.

He learned in his life that teaching was the best way to learn. Handy teaches that wealth creation = investments + motivated and skilled workforce + govt investments in infrastructure and higher education. Handy realizes the key to capitalism is the demand it creates. The issue is that the less one spends the less the economy thrives though it is probably best for the individual for them not to spend. Singapore is the seat of guided capitalism in which what is good for the state is good for individuals. Handy liked the US for its focus on individuals not family lineage and also the fact that people took personal responsibility. But he came to see that the US also focused all its energy on money as a solution to everything. For the US, money is something to be proud of and measures the degree of one's success. What he does not like about the US view of companies is that companies are commodities to be sold and traded if their share price becomes low enough whether they want it or not. The pursuit of personal riches is the engine that drives the American capitalist machine. The riches give enterprising individuals the freedom to live life as they see fit and to buy choices that the market offers. He says that the US has the greatest inequality disparity among all developed countries with riches flowing to the top via stocks. People do not rise in revolt because people have bought into the Puritan belief that salvation is an individual affair and the best way to show that you have been saved is through hard work which one is justly compensated with. They believe it was men's duty to create heaven on earth, to finish God's work on earth. Americans believe that the future should be better than the past and with that belief that successful people should be looked at not with envy but with ambition and hope for the

future. That combined with the constant immigration is pushing people to be more and more dynamic. He believes that Americans place their faith on the market not politicians to get them out of the mess they are in. He also believes it is the hope in the future with a healthy fear of not getting there that makes the US population have a healthy entrepreneurial culture. But, he decries the lack of purpose that Americans have in favor of running through the rat race and constantly comparing oneself to others that make the US tiring for him to visit. Whereas American capitalism emphasize the equality of opportunity, they have a tendency to sacrifice social cohesion in order to preserve individualism.

Kerala with its high literacy rate and high health care created a vast army of OFW that funds the state because there is nothing in the state besides nature tourism. The problem with Kerala is the money coming in is from OFW not from innate entrepreneurial energy of its citizen. Most people say they do not want to live in Kerala because there is nothing to do there. The issue in Kerala is most of the funds are in the informal sector meaning that people do not legal own what they have. This in turn creates a mindset of not thinking of how to create capital from something since one does not own the capital to begin with. While education is good for the population, it maybe bad for society where the educated lived. So it follows that progress caused its own problems. For all the problems that capitalism breeds, he has faith that capitalism breeds innovation and thus raises everyone's standard of living. Capitalism is only good up to a point at the point in which it becomes bad people spend too much money on things they do not need. He advocates people having a personal choice in what people should prioritize which is the most important thing that they should focus on. The challenge for capitalism is to balance the interests of wealth accumulation and the reason that that wealth accumulation was necessary in the first place. He decries wealthy people who demand a lot of their government while seeking to place their money on off-shore accounts.

After he left the organization, he felt alone because prior to it he always had company parties to go to. So his wife takes the lead in organizing social events for him in a way that allows him to fulfill his sense of belonging. He says to be fulfilled by ones mission, one has to have passion in what one is doing without it a dream is simply a hope not reality. As an independent, he realized that he had to have passion, a sense of belonging, and track record of success in your chosen field. He advocates trying to be different instead of trying to be better than others. He believes that outsiders from the industry provide the insight to execute the necessary innovation. He also believes that other parts of life lends itself to innovation if it is transferred to the work life. He believes one has to live with integrity in order to stand by your actions and words so that you can be in the public eye. I like what he says, " you can't duck the obligations to yourself to live up to the untested possibilities within you."

He states that a life without deadlines is a life without priorities. He believes that work is a fundamental part of life and life without work is meaningless. He divides work into 3 phases: 1) work at home 2) volunteerism - which fulfills a need to belong and do good 3) professional development - to be abreast with things in ones field and get paid for it. In doing, he was able to discard things he was not good at in favor of things that he was good at. He works to live not live to work. He realized the value of a team to augment the skills that he lacked with people with those skills. He considers himself a brand to differentiate himself from the pack and he proves his product by the professionalism he provides. Being an entrepreneur sometimes people trade power for influence. Although it makes a person lonely, it also realize people like you for you not what you are. He considers retiring from life a form of giving up. He says commitment is necessary for responsibility which is in turn necessary for cares. To be an entrepreneur, one has to have a belief in oneself, a willingness to learn from feedback even if it seems to be harsh criticism, and an empathy to the clients needs. To be an entrepreneur, one has to have a desirable skill set but he must know how to sell it and know what his skill is worth to the market.

People who offer friendly criticism should always be listened to who criticize to make you better. He begins

to look at ways that marriage coincides with work life. There were different ways to create a happy marriage and the important thing is to be flexible. Most people start out with a shared marriage then drift to traditional marriage. Although he and his wife have a marriage of constant contact, he acknowledges that other marriage are made stronger when spouses live apart and only have intense quality time. Handy says flex time is the future of work and the more that organizations are able to offer it, the more likely they will retain the talent.

He says that the flip side of an independent life is a selfish life. He understands and is jealous for people who have a sense of community, a sense of belonging and that they matter. He laments the lack of commitment in favor for choice. Life without belonging properly to anything is a life without commitment which means a life without responsibility to others or for others. In this new world, trust erodes to the point which people are only out for themselves. The new world would be different visions between a competitive individualism vs varied individualism where people get to choose what is right for them and pursue it. The future belongs to more local governments and less on centralized command and control. He laments the decline of a common religion as the means of societies decline of the feeling of the tribe. Instead of religion, he looks at his soul as the greatest untapped potential that needs to be tapped.

Greg says

one of the best books on the philosophy of business!!

Melissa says

Even though I read this long after the major ideas had already become reality I found some of his prospectives insightful and encouraging. Loved the metaphor of the elephant and flea.

Zara Choy says

Changed my life :-)

PeterBlackCoach says

Written in 2001, but still very relevant today, Charles Handy describes the challenges of transitioning from being an employee of a large organisation (the "elephant") to running a portfolio career as a "flea" buzzing around the elephants. he describes well the opportunities and challenges this new way of working brings.

Marc says

Since I read this more than ten years after publication, It is a little unfair to be too critical of the ideas. It is a

good read, if dated in some places. Having spent a good chunk of my working life in the flea pit (my interpretation of his flea world) I understand his premise.

There were also a number of good ideas. For example:

- 1) when you were born in the year has a long-standing effect on you in school (this was also tackled by M. Gladwell in one of his books)
- 2) snakes and ladders of education; when you reach the top of one ladder you have to start at the bottom of the next one.
- 3) chunked work; Home-Gift-Stud; 10% study (I would call this tithing time for your research)
- 4) why are shareholders given such priority in the Anglo-American version of capitalism? It is not as if they actually "own" the company, in any real sense. The shareholders aren't financing the business, just betting on it."

"A degree, ... {is} not a qualification, but a license to learn."

His Last Thoughts chapter was interesting.

"If the other side of freedom's coin is aloneness then the obverse of independence is selfishness, for living up to the possibilities with yourself can mean ignoring the possibilities in anyone else."

"The independent life is and invitation to selfishness and a recipe for a very privatized society."

Other quotes/precis:

"...virtual communities...create only the illusion of intimacy and a pretense of community."

One of my favourites: "Passion is much stronger than mission or purpose. Passionate people move mountains where the missionaries can only preach." Amen brother!

Robert says

Immediately, Handy establishes and then sustains a direct and personal rapport with his reader. The tone is conversational. With regard to the title, Handy observes: "Elephants and fleas is an odd metaphor, equally unflattering to both groups. I hit upon it by chance when looking for a way, in a public lecture, to explain why large organizations needed irritant individuals or groups to introduce the innovations and ideas essential to their survival. After the lecture I was struck by the number of people who came up to me, either proclaiming themselves to be a flea or lamenting the ponderous gait of the elephant where they worked. The analogy, it seemed, had caught their imagination, so I persevered with it. Like all analogies, however, it should not be pushed too far. Useful for attracting attention, it is not in itself a recipe for solutions, but as a broad description of one divide in modern society it serves its purpose. It is, for instance, the elephants who get all of the attention while most people actually work as fleas or for a flea organization."

These comments are especially relevant to Handy at one point in his career (in 1981) when he embarked on a transition from being an "elephant inhabitant to independent flea," hoping that there would be greater value in the freedom of independence "over the dubious security of employment." He did not then and has not since viewed himself as a role model for others. He asks his reader to "regard this book as an encouragement to wrote your own script for a part in the very different world that lies ahead of us." Some readers may find it difficult to follow Handy's line of thought as he moves from one subject to the next, indeed from one period

in his life to another, without regard for chronological or even logical sequence. To repeat, he offers an immensely personal narrative that combines spontaneity with rigor. He is a very clear thinker but his thoughts are seldom developed in a linear pattern. Over the course of the ten chapters, the reader shares Handy's reflections about his childhood and youth in an Irish vicarage, his education at Oxford, his executive assignments to the Far East within the Royal Dutch/Shell organization, and his chairmanship of the Royal Society of Arts. Only later in his life did he gain increasing attention and renown as a social commentator and business thinker.

Kyle says

Mary
